

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

APR 15 2004

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

W-02146A  
Peoples Valley Water Company  
15811 North 9th Avenue  
Phoenix AZ 85023

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
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FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
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## COMPANY INFORMATION

**Company Name (Business Name)** Peeples Valley Water Company

**Mailing Address** 3550 N. Central Ave. Suite 1500

(Street)

Phoenix, Az 85012

(City)  
602-264-7101

(State)  
602-234-0419

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** P. O. Box 88006

(Street)

Phoenix, Az 85080

(City)

(State)

(Zip)

602-86602329

602-866-0313

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** ursaz@aol.com

## MANAGEMENT INFORMATION

**Management Contact:** Utility Resource Services, Inc.  
Richard Darnall **Exec. Consultant**

(Name)

(Title)

15811 N. 9th Ave.

Phoenix, Az 85023

(Street)

(City)

(State)

(Zip)

602-866-8115

602-866-0313

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** ursaz@aol.com

**On Site Manager:** Robert Heckman

(Name)

P. O. Box 938

Yarnell, Az 85362

(Street)

(City)

(State)

(Zip)

928-427-9446

928-427-9446

928-899-6499

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Ted Warner

(Name)

3550 N. Central Ave. Suite 1500 Phoenix, Az 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Ted Warner

(Name)

3550 N. Central Ave., Suite 1500 Phoenix, Az 85012

(Street)

(City)

(State)

(Zip)

602-264-7101

602-234-0419

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME**      **Peeples Valley Water Company**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	5,330	2,133	3,197
307	Wells and Springs	101,563	73,556	28,007
311	Pumping Equipment	27,507	25,413	2,094
320	Water Treatment Equipment	24,847	2,705	22,142
330	Distribution Reservoirs and Standpipes	104,553	72,045	32,508
331	Transmission and Distribution Mains	147,739	102,059	45,680
333	Services	25,466	15,492	9,974
334	Meters and Meter Installations	18,250	10,874	7,376
335	Hydrants	5,089	362	4,727
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	1,183	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>461,527</b>	<b>305,822</b>	<b>155,705</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME** Peeples Valley Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	5,330	3.3%	176
307	Wells and Springs	101,563	3.3%	3,352
311	Pumping Equipment	27,507	12.5%	3,438
320	Water Treatment Equipment	24,847	20.0%	4,969
330	Distribution Reservoirs and Standpipes	104,553	2.2%	2,300
331	Transmission and Distribution Mains	147,739	2.0%	2,955
333	Services	25,466	3.3%	840
334	Meters and Meter Installations	18,250	8.3%	1,515
335	Hydrants	5,089	2.0%	102
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,183	20.0%	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>461,527</b>		<b>19,647</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

**COMPANY NAME**      Peeples Valley Water Company

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 9,822	\$ 7,747
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	13,970	11,282
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	2,236	2,738
162	Prepayments	1,914	2,028
174	Miscellaneous Current and Accrued Assets	6,473	52,577
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 34,415	\$ 76,372
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 435,167	\$ 461,527
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	288,732	305,822
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 146,436	\$ 155,705
	<b>TOTAL ASSETS</b>	\$ 180,851	\$ 232,077

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 8,039	\$ 57,550
232	Notes Payable (Current Portion)	9,556	9,556
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	367	426
237	Accrued Interest	285	221
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 18,247	\$ 67,753
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 40,712	\$ 31,156
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	12,514	10,730
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	121,722	121,722
272	Less: Amortization of Contributions	75,187	81,118
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 118,008	\$ 150,244
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	161,661	161,661
215	Retained Earnings	(98,818)	(79,828)
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 62,843	\$ 81,833
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 180,851	\$ 232,077

COMPANY NAME Peeples Valley Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 100,129	\$ 96,912
460	Unmetered Water Revenue		
474	Other Water Revenues	984	498
	<b>TOTAL REVENUES</b>	\$ 101,113	\$ 97,410
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	6,114	5,356
618	Chemicals	470	568
620	Repairs and Maintenance	(8,281)	7,785
621	Office Supplies and Expense	52	0
630	Outside Services	35,400	35,400
635	Water Testing	3,519	1,382
641	Rents	7,360	6,712
650	Transportation Expenses		
657	Insurance – General Liability	2,102	2,352
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case	2,926	0
675	Miscellaneous Expense	558	741
403	Depreciation <del>Expense</del> & Amort. Expense	8,993	11,159
408	Taxes Other Than Income		
408.11	Property Taxes	3,652	4,084
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 62,865	\$ 75,479
	<b>OPERATING INCOME/(LOSS)</b>	\$ 38,248	\$ 21,931
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	4,089	2,941
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 4,089	\$ 2,941
	<b>NET INCOME/(LOSS)</b>	\$ 34,159	\$ 18,990

COMPANY NAME Peeples Valley Water Company

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12/10/97			
Source of Loan	Valley Bank of Arizona			
ACC Decision No.	60342			
Reason for Loan	Plant Additions			
Dollar Amount Issued	\$ 94,680	\$	\$	\$
Amount Outstanding	\$ 40,712	\$	\$	\$
Date of Maturity	12/10/07			
Interest Rate	Prime +1.5%			
Current Year Interest	\$ 2,941	\$	\$	\$
Current Year Principle	\$ 9,556	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 10,731

Meter Deposits Refunded During the Test Year

\$ 2,321

COMPANY NAME Peeples Valley Water Company

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
544681	10	85	225	8	2	1970
563104	10	100	225	8	2	1998

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2.5	2	2	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
80,000	2	5,000	1

COMPANY NAME Peeples Valley Water Company

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	3,800
5		
6	PVC	39,000
8	PVC	500
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	178
3/4	4
1	14
1 1/2	4
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

Chlorine Injectors

Yardney Separator & Excel Micron Filters

**STRUCTURES:**

Fencing around 2 wells and storage tanks - about 500 ft.

**OTHER:**

COMPANY NAME: Peeples Valley Water Company

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	200	709,600	957
FEBRUARY	200	583,900	887
MARCH	201	678,700	751
APRIL	201	1,237,000	1,310
MAY	201	1,865,900	2,351
JUNE	201	2,495,600	2,314
JULY	200	1,718,200	1,903
AUGUST	201	1,314,000	1,559
SEPTEMBER	201	1,647,300	2,098
OCTOBER	203	1,245,400	872
NOVEMBER	203	943,600	962
DECEMBER	205	778,100	924
TOTAL		N/A	16,888

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes                      (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system.    > 0.01 mg/l

*(If more than one well, please list each separately)*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Peeples Valley Water Company YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 3,868

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

1908

# PEEPL'S VALLEY WATER CO.

P. O. BOX 88006 866-2329  
PHOENIX, AZ 85080

$$\frac{91-2}{1221}245$$

Q#1115248

DATE 7/18/03

**PAY  
TO THE  
ORDER OF\_**

Ross D. Jacobs

\$ 1,826  $\frac{31}{x}$

Eighteen Hundred Twenty Six &  $\frac{31}{100}$

**— DOLLARS**  **Security Features included. Details on Back.**

**BANK<sub>1</sub>ONE.**

Bank One. NA  
Phoenix, Arizona 85073  
[www.BankOne.com](http://www.BankOne.com)

FOR \_\_\_\_\_

*Richard Dammall* <sup>MP</sup>

0000 18 26 3 1

PEOPLES VALLEY WATER CO.  
415 WEST 4TH STREET  
TULSA, OK 74103

1930

DATE Jan 10 1930

TO Pass 2, Tazewell, Tulsa County, Tennessee

AMOUNT \$ 20.41

THIS Demand Note is for 20.41

PAY TO THE ORDER OF BANKPHONE

BY Edna

10000 20.41 184

R005140243843 OCT 31 #1938

**\$2041.84**

COMPANY NAME Peeples Valley Water Company YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported N/A  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

04-14-04  
DATE

James R Gough  
PRINTED NAME

President  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 15 2004

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>James R. Gough, President</u>
COMPANY NAME	<u>Peoples Valley Water Company</u>

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 103,754

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 6,344  
IN SALES TAXES BILLED, OR COLLECTED


**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
James R. Gough, President  
SIGNATURE OF OWNER OR OFFICIAL  
602-264-7101  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

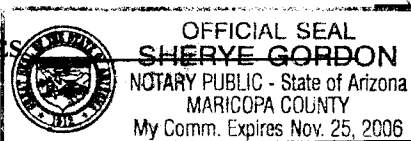
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME	<u>Maricopa</u>
MONTH	<u>April</u>
YEAR	<u>2004</u>
 SIGNATURE OF NOTARY PUBLIC	

(SEAL)

MY COMMISSION EXPIRES



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 15 2004

VERIFICATION

ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa	
NAME (OWNER OR OFFICIAL) <b>James R. Gough</b>	TITLE <b>President</b>
COMPANY NAME <b>Peoples Valley Water Company</b>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

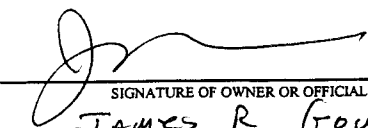
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>103,754</u>

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 6,344  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
**James R. Gough**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

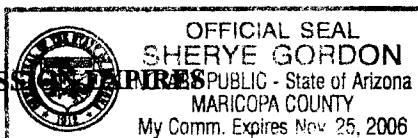
14<sup>th</sup>


DAY OF

NOTARY PUBLIC NAME <b>Sherye Gordon</b>	
COUNTY NAME <b>Maricopa</b>	
MONTH <b>April</b>	. 20 <b>04</b>

(SEAL)

MY COMMISSION



X   
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC